

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
FAR EASTERN SHIPPING CO.,

Plaintiff,

- against -

PROGRESS BULK CARRIERS, LTD.,

Defendant.  
-----X

**ECF CASE**

07 Civ. 11375 (PAC)

**SUPPLEMENTAL AFFIRMATION OF IBRAHIM MAZMAN IN  
FURTHER SUPPORT OF MOTION TO VACATE ATTACHMENT**

IBRAHIM MAZMAN, affirms and states the following under the penalties of perjury under 28 USC § 1746:

1. I am President of Med Brokerage and Management, Corp. ("MED") and make this Supplemental Affirmation on behalf of and at the request of Progress Bulk Carriers, Ltd. ("PBC"), in further support of PBC's motion to vacate the attachment and in reply to Far Eastern Shipping Co.'s ("FESCO") opposition to PBC's motion.

2. In my previous Affirmation, dated January 22, 2008, I stated that MED maintains offices at 29 Continental Place in Glen Cove, NY 11542 and 29 Broadway in New York, NY 10006.

3. I have been informed by counsel for PBC that counsel for FESCO have visited MED's office at 29 Broadway and have raised doubts about whether the office there is truly MED's and whether it is an office at which MED could accept service of process.

4. Specifically, I have been advised that counsel for FESCO is concerned about the fact that the address listed in the NYS Department of State, Division of Corporations print-out dated January 18, 2008 (which was annexed as Exhibit A to my January 22, 2008,

Affirmation), is 29 Broadway, Suite 1602, while MED's actual address in Manhattan is 29 Broadway, Suite 1707.

5. I have also been told that counsel for FESCO is concerned about whether any of MED's employees work out of, or regularly visit, MED's Manhattan office, and about the nature of MED's Manhattan office generally.

6. From 1998 to May 2002, MED's principal place of business and only office was located in Manhattan at 29 Broadway, Suite 1602.

7. In May of 2002, MED opened a new office in Glen Cove, New York and re-located all of its employees and operations to the Glen Cove office.

8. Beginning in January of 2006, however, MED decided to again establish a presence in Manhattan at 29 Broadway. This decision was made chiefly for marketing purposes, as it was desirable to be able to advertise a Manhattan address as well as maintain an opportunity for arranging meetings with clients at a Manhattan location.

9. Thus, MED entered into an arrangement with Ali C. Kurtmer, MED's accountant of long standing, who leased an office located at 29 Broadway, Suite 1707.

10. Under the arrangement between Mr. Kurtmer and MED, MED is permitted to use the address and a portion of the office space so that MED can maintain a presence in Manhattan.

11. As a further part of the arrangement between Mr. Kurtmer and MED, Mr. Kurtmer agreed to post MED's sign next to the door to the office, and agreed to accept mail delivered to the office for MED. (See photograph of the door to Suite 1707, a copy of which is annexed hereto as Exhibit A). Additionally, MED arranged with the building management to list MED's name in the building's lobby. (See letter dated April 6, 2006, a copy of which is

annexed hereto as Exhibit B, and see a photograph of the directory in the building lobby, a copy of which is annexed hereto as Exhibit C).

12. When mail is delivered to Suite 1707 for MED, Mr. Kurtmer either notifies MED of such mail (so that MED employees can pick it up), forwards such mail to MED at its Glen Cove address, or personally delivers such mail to MED at its Glen Cove address.

13. I estimate that MED employees travel to 29 Broadway, Suite 1707 approximately every other month to retrieve mail that has been delivered there for MED.

14. Finally, MED has also reinstated its former telephone number in the Manhattan exchange, (212) 509-5080, which is associated with the 29 Broadway, Suite 1707, address, and which automatically forwards all calls received to MED's telephone lines at its Glen Cove location. This telephone number and address is listed in a number of commercial and business directories and is readily discoverable. (See print-out of a Google search for "Med Brokerage" and New York dated January 31, 2008, a copy of which is annexed hereto as Exhibit D).

15. Thus, although MED does not have any employees working out of the Manhattan office on a regular basis, MED still considers itself to have a Manhattan address and a presence in Manhattan via the 29 Broadway address and the associated telephone line.

16. In fact, MED's 29 Broadway, Suite 1707, address is listed on MED's marketing materials such as its letterhead. (See MED's letterhead, a copy of which is annexed hereto as Exhibit E).

17. Additionally, in my previous Affirmation dated January 22, 2008, I stated that PBC had entered into an agreement with MED providing that MED would act as PBC's worldwide managing agent.

18. I further understand from counsel for PBC that FESCO is now raising questions about the nature and extent of MED's role as PBC's managing agent, and specifically, whether MED is primarily and exclusively employed by PBC in this role.

19. In response to these concerns, I confirm that MED is the only managing agent employed by PBC, and MED has the power to bind PBC to contracts.

20. FESCO was fully aware of MED's status as managing agent for PBC in that MED negotiated and signed the charter party for the M/V CHERKASSY which is the subject of FESCO's Rule B action. (See page 5 of Exhibit C to my January 22, 2008, Affirmation, which shows that MED had signed the charter party on behalf of PBC). The M/V CHERKASSY was just one of three vessels owned by FESCO which PBC chartered. Numerous communications during all three of these charters, including all voyage instructions, were issued by MED on behalf of PBC.

21. In October of 2002, upon taking possession of the M/V CHERKASSY (the charter of which is at the center of FESCO's lawsuit), at FESCO's request PBC specifically notified FESCO that MED was authorized to act as PBC's agent. (See letter dated October 28, 2002, a copy of which is annexed hereto as Exhibit F).

22. In addition to the charter parties above, the fixture recaps, charter party addendums, and an escrow agreement between FESCO and PBC, were all signed by MED as agents for PBC. (See fixture recaps, addendum to charter party dated October 2002, and escrow agreement dated March 11, 2003, copies of which are annexed hereto as Exhibit G).

23. The last FESCO vessel was re-delivered in January of 2005. Thereafter and throughout 2005 and 2006, MED directly communicated with FESCO's legal department with regard to settlement of hire and accounting disputes relating to the charters, as well as a

cargo claim. (See e-mails dated November 24, 2005, March 6, 2006, and March 15, 2006, copies of which are annexed hereto as Exhibit H).

24. All of the foregoing events took place before December 2007 when FESCO filed its Rule B application. Thus, FESCO was fully aware that MED was PBC's managing agent at the time it filed its Rule B attachment action, and that PBC was therefore doing business in New York via MED and was present in New York via MED.

The foregoing is true and correct to the best of my knowledge under the penalty of perjury.

Executed on: February 1, 2008

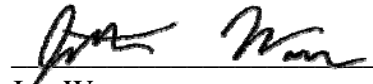
  
Ibrahim Mazman

**CERTIFICATE OF SERVICE**

Jon Werner, an attorney duly admitted to practice before this Honorable Court, affirms on this 1st day of February 2008, I served true copies of the foregoing, by e-mail and ECF notice to:

LAW OFFICES OF SIMON HARTER, ESQ.  
Attorneys for Plaintiff  
304 Park Avenue South, 11th Floor  
New York, NY 10010

Attn.: Simon Harter, Esq.  
sharter@harterlaw.com

  
Jon Werner

# EXHIBIT A



1707

**Ali C. Kurtmer**

Certified Public Accountant

**Med Brokerage  
& Management Corp.**



1707

**Ali C. Kurtmer**

Certified Public Accountant

**Med. Brokerage  
& Management Corp.**



# EXHIBIT B

# MED BROKERAGE & MANAGEMENT CORP.

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April 6, 2006

Jeffries Morris  
29 Broadway  
New York, NY 10006

Attn. Ms. Doris Pereira:

Following to our telcon today, we are the former tenants (until June 2002), and we are back at Suite 1707, sharing space with Ali C. Kurtmer, CPA. Our sign has been placed at the door of our office at #1707.

As per telcon, please kindly have the name of our company listed at the entrance to the building as per the letterhead above.

Thank you for your attention to this matter,

Sincerely,



Arif 'Asaf' Ors

# EXHIBIT C



Margulyan, Eduard, Esq.	1412
McNamara, Francis H.	1710
Meade, Barry	2700
Med Brokerage & Management Corp.	1707
Mele, Armand P., Esq.	900
Mellusi, Ralph J.	2311
MerchantPlus LLC	3000
MicroMax Computer Intelligence, Inc.	1612
Abarbanel, Samuel J.	



# EXHIBIT D

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Google

"med brokerage" new york

Search

[Advanced Search](#)  
[Preferences](#)

[Web](#) [Maps](#)

Results 1 - 10 of about 527 for "[med brokerage](#)" [new york](#). (0.11 seconds)



### [Med Brokerage & Management Corp](#)

[maps.google.com](#)

29 Broadway  
New York, NY 10006  
(212) 509-5080

[Get directions](#)

[More information »](#)

### [Untitled Document](#)

**Med Brokerage** Boosts Business via Cohesive Environment. Overview Established in 1995 and based in Long Island, **New York, Med Brokerage** are managing agents ...

[www.strategicdataworks.co.uk/MedBrokerage.html](#) - 6k - [Cached](#) - [Similar pages](#)

### [USDCData.com NYSD Foley Square 1:04-cv-00434 MacSteel ...](#)

**New York, NY 10018** (212) 279-8880 ATTORNEY TO BE NOTICED. Defendant. Progress Bulk Carriers Ltd. Defendant. **Med Brokerage** & Management Corp. Cross Claimant ...

[www.usdcdata.com/.../2004/cv00434.MacSteel\\_International\\_USA\\_Corp.\\_v.\\_MV\\_Ain\\_Oussera\\_et\\_al/CS\\_1\\_0400434.html](#) - 9k - [Cached](#) - [Similar pages](#)

### [D&B Company Profiles: Med Brokerage And Management - AlacraStore.com](#)

Company: **Med Brokerage** And Management (Single location). Address: 29 Continental Pl Glen Cove, **New York** USA 11542-2935. Telephone: 0001 - (516) 671-4454 ...

[www.alacrastore.com/storecontent/dnb2/927779264](#) - 19k - [Cached](#) - [Similar pages](#)

### [ASBA Mission Statement](#)

**New York** NY 10004, 212-952-0390, 212-422-3067, Dry Cargo Broker. Jacq. Pierot Jr. & Sons, Inc. ... **Med Brokerage** & Management Corp. 29 Continental Place ...

[www.asba.org/members.cfm](#) - 59k - [Cached](#) - [Similar pages](#)

### [Alkahest Logistics - About Us](#)

**Med Brokerage** & Management Corp., **New York**. Deniz Trading Corp., **New York**; Golden Horn Managment Corp., **New York**; Progress Bulk Carriers, Ltd., Nassau, ...

[alkahestlogistics.com/about\\_us](#) - 6k - [Cached](#) - [Similar pages](#)

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children's mental health service agencies in two **New York** Communities. Burt's structural-equivalence. criterion is employed to assess partial/complete data ...

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... 9314.907 Tlx: 0657 **MED BROKERAGE** & MANAGEMENT  
MEDITERRANEANCHARTERING ..... **New** Mangalore(.in) **New** Orleans, LA (.us) Newport,  
OR(.us) **New York** & **New** ...  
[www.best-maritime.info/catalogue\\_companies\\_list/company\\_source\\_37983\\_1.html](http://www.best-maritime.info/catalogue_companies_list/company_source_37983_1.html) - 89k -  
[Cached](#) - [Similar pages](#)

[Contract Cases filed in the \*\*New York\*\* Southern District Court by ...](#)

Justia Federal Filings - **New York** - **New York** Southern District Court - Peter K. ... Plaintiff:  
Progress Bulk Carriers Limited, **Med Brokerage** and Management ...  
[dockets.justia.com/browse/state-new\\_york/court-nysdce/judge-Leisure/noscat-1/s-50](http://dockets.justia.com/browse/state-new_york/court-nysdce/judge-Leisure/noscat-1/s-50) -  
116k - [Cached](#) - [Similar pages](#)

[tag:"freighttransport" in \*\*New York\*\*, NY - YellowBot](#)

customhouse customs broker freight transport transportation services. **Med Brokerage** &  
Management Corp 29 Broadway **New York**, NY (212) 509-5080. 0.7 miles ...  
[www.yellowbot.com/tags/freighttransport/New%20York,%20NY/page5.html](http://www.yellowbot.com/tags/freighttransport/New%20York,%20NY/page5.html) - 48k -  
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# EXHIBIT E

# MED BROKERAGE & MANAGEMENT CORP.

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# EXHIBIT F

**PROGRESS BULK CARRIERS LTD**  
**PARK LANE, P.O. BOX N-7768**  
**NASSAU, BAHAMAS**

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October 28, 2002

Messrs. Far Eastern Shipping Co.

Ref: MV Cherkassy / Progress Bulk Carriers Ltd  
CP dtd Oct 22, 2002

To Whom It May Concern,

This is to confirm that Messrs. Med Brokerage & Management Corp is duly authorized to act as Agents for and on behalf of Progress Bulk Carriers Ltd.

Yours faithfully,  
Progress Bulk Carriers Ltd.

H. Yesilkaya



# EXHIBIT G

440a

**ADDENDUM TO CHARTER PARTY MV CHEREMNOVO / PROGRESS  
BULK CARRIERS LTD DATED OCT 24, 2002**

It was agreed between Owners and Charterers that vessel is allowed to make call to Syrian port on following conditions:

1. Charterers waiving listed hereunder off-hire claims:

- a) Off-hire due to boat drill (mv Chermichovo)
- b) Off-hire at Damietta (mv Cherkassy)
- c) Off-hire at Dardanelles (mv Cherkassy)
- d) Off-hire for steaming via Great Belt (mv Cherkassy)

2. Charterers paying lumpsum amount of USD 12,500.00 to Owners' bank account.

3. Charterers to pay additional war risk insurance premiums incurred due to vessel's call to Syria against presentation of the original invoices from underwriters, which are in line with Owners' quotation of Jun 3, 2003.

**OWNERS****CHARTERERS**

For and on behalf of the Charterers  
[Signature]  
[Stamp: CHARTERERS]

RE MY CHERKASSY / PROGRESS BULK CARRIERS - FERGUSON IS  
 HEREBELOW RECAP OF FULLY CLEAN FIXTURE DD OCTOBER 21, 2002, NEW YORK.  
 MY CHERKASSY - EX "VASILIS KATSIKIS" LLOYD'S NO: 8306593

VSL IS BULK CARRIER, CLASS RS KM L3  
 GRT/NRT/DWT 16794/8343/23181 ON 10.2; SSW  
 LOA/BM 178.6/ 22.91 SUEZ/PANAMA NRT 13244/11762  
 GRAIN CAPA 29726; HO/H 5/10; FLAG RUS;  
 DEPTH MOULDED-14.0M  
 TPI 87.5; BUILT FEBR.1984; BUNKER CAPA: 1516063 MT  
 CONST: 350 MTS

HATCHES/HO L/B/H:  
 1 23.0/15.0/9.5 GR/B 389/5813 L/B:13.6/24.7.45 (M)  
 2 25.3/19.3/12.0 6593/6463 19.5/24.6.95  
 3 24.2/19.5/12.0 6403/6275 19.5/24.8.95  
 4 24.7/19.3/12.0 6401/6361 19.5/24.8.95  
 5 24.7/12.0/12.0 6347/6319 19.5/24.8.95  
 CRANE CAPA: 4x25 MTS OUTREACH 24 M

SPEED/CONS:  
 LAD 12.6/24.5 MT IFO 180/RME 25 + 3.1 MT MDO/DMC  
 BAL 13.4 24.5 MT IFO 180/RME 25 + 3.1 MT MDO/DMC  
 IN PORT WITH CGO OPS: 1.0 MT IFO180 + 1.7 MT MDO  
 W/OUT CGO OPS: 1.0 MT IFO180 + 1.4 MT MDO  
 FOR MANOUVERS:  
 735 KWHR MDO + 5% OAS/DMA OF IFO CONSUMED FOR ENSURING  
 OF WORKING ME WHILE STARTING/STOPPING, AND FOR EMERGENCY GEN  
 VSL HAS NO SHAFT GENERATOR INSTALLED.

FIXED TO

1) MESSRS PROGRESS BULK CARRIERS LTD BAHAMAS  
 PARK LANE PO BOX 4-7168 NASSAU/BAHAMAS

FOR

2) TC PERIOD FOR 8/12 MOS +/- 13 DAYS CHOFT  
 3) DELY APS XINGANG OR EQUAL DISTANCE ANY DIRECTION OF TAICHUNG IN CHOFT  
 4) LA Y/CAN OCTOBER 25 / NOVEMBER 10  
 (ETCL/ETD VLADIVOSTOK 18-19/10/2002 ETA TAICHUNG 23-24/10/2002 ETC D/ETD  
 27-28/10/2002)

5) HIR E:

USD 4,580 /DPFR, INCLOT - FOR FIRST 50 DAYS  
 USD 5,050/DPFR, INCLOT - FOR THE BALANCE

6) REDELY TO BE ON DLOS/PASSING 1 SP ANYTIME DAY/NIGHT SHINC PICO:  
 BOSTON/PARAMARIBO RANGE INCLUDING NCSA, CARIBS, USGOLF OR VANCOLVER  
 BO/BAL BOA  
 RANGE OR BALTIC/ALEXANDRIA RANGE INCLUDING BLACK SEA/ADRIATIC OR



PROVIDED  
 SAME  
 NOT INTERFERING WITH CHARTER'S CARGO OPERATIONS. FOR THE PURPOSE OF  
 INTERNAL  
 FESCO'S  
 ISM CODE PROCEDURE, CHARTERERS HAVE TO ADVISE TO THE OWNERS THE AGENTS  
 AND  
 SUPPLIERS FULL STYLE 3 (THREE) DAYS BEFORE BUNKERING/SUPPLY OF THE VESSEL  
 FOR  
 CHARTERERS ACCOUNT.

B) TRADING EXCLUSION  
 WORLDWIDE TRADING WITHIN INSTITUTE WARRANTY LIMITS EXCLUDING CIS  
 PACIFIC  
 PORTS  
 CUBA, N. KOREA, ISRAEL, SYRIA, ALBANIA, LEBANON, LIBYA, CAMBODIA, ANGOLA,  
 TURKISH OCCUPIED CYPRUS, IRAQ, FORMER YUGOSLAVIA/ BUT VESSEL MAY TRADE  
 THROUGH  
 CROATIA AND SLOVENIA/ SOMALIA, BANGLADESH, NIGERIA, LIBERIA, ZAIRE WAR OR  
 WAR  
 LIKE ZONES AS DECLARED BY LONDON UNDERWRITERS.  
 ADDITIONAL WAR RISK INSURANCE PREMIUM, CREW BONUS TO BE APPLICABLE  
 ONLY FOR  
 TRADING INTO PERSIAN GULF OR WAR ZONES, IF ANY, IF SO DECLARED BY LLOYD  
 UNDERWRITERS IN LONDON, TO BE FOR CHARTERERS' ACCOUNT. THE RATE OF  
 PREMIUM  
 NOT  
 TO EXCEED THOSE QUOTED BY LLOYD OF LONDON OR UNDERWRITERS.

B) CARGO EXCLUSIONS  
 LIVESTOCK, PITCH IN BULK, SULPHUR, SODASH, FERRO SILICON, NUCLEAR ISOTOPIES,  
 H.B.I. CEMENT IN BULK, ALL KIND OF ACID ANY PRODUCTS ASSOCIATED WITH  
 DIRECT  
 REDUCED IRON, ASPHALT, ARMS AND AMMUNITIONS, SCRAP, MOTOR BLOCKS AND  
 TURNINGS,  
 CREOSOTED GOODS, PETROLEUM OR ITS PRODUCTS, PETCOKE, CAKES, PYRITES,  
 CALCIUM  
 HYDROXIDE, NUCLEAR MATERIALS, EXPLODERS, INFLAMMABLE AND DANGEROUS  
 GOODS,  
 SALT  
 AND MAHOGANY LOGS, STONE BLOCKS, BAGGED RICE, AND ANY OTHER HARMFUL,  
 DANGEROUS  
 INJURIOUS, CONTRABAND OR UNLAWFUL CARGOES.  
 ALL CARGOES TO AND LOADED/ CARRIED AND DISCHARGING ALWAYS IN  
 ACCORDANCE  
 WITH  
 IMO REGULATION AND UP TO MASTER'S SATISFACTION.

10) BSL CLAUSE:

CONGENBILL(S) OR OTHER BIMCO RECOGNIZED/APPROVED BILL(S) OF LADING FORM TO BE USED. BSL TO BE SIGNED BY MASTER OR AGENTS IN ACCORDANCE WITH THE CHARTERERS WRITING INSTRUCTIONS, BUT ALWAYS IN ACCORDANCE WITH MATE'S RECEIPTS. WHERE IT IS CUSTOMARY IN GRAIN/AGRIPRODUCT TRADING MATE'S RECEIPT TO BE ISSUED IN ACCORDANCE WITH ELEVATORS FIGURE.

FESCO IS NOT TO BE SHOWN AS A CARRIER IN THE BSL. NO LINER/THROUGH BSL WILL BE ISSUED DURING THE CURRENCY OF THIS CHARTER PARTY.

CHARTERERS TO INDEMNIFY OWNERS AGAINST ANY CLAIMS, OR DAMAGES ARISING FROM BSL BEING NOT IN CONFORMITY WITH MATE'S RECEIPT.

AT DISCHARGING PORT, CARGO TO BE RELEASED AGAINST ORIGINAL OF RESPECTIVE BILLS OF LADING. IN CASE ORIGINAL BILLS OF LADING ARE NOT ARRIVED IN TIME TO DISCHARGING PORT, OWNERS AGREE TO DISCHARGE CARGO AS PER CHARTERERS' WRITTEN INSTRUCTION AND AGAINST LETTER OF INDEMNITY AS PER OWNERS' P AND I CLUB WORDING ISSUED/SIGNED BY CHARTERERS ON THEIR LETTERHEAD. BEFORE ACCEPTANCE OF SUCH LOI OWNERS SHOULD HAVE EVIDENCE THAT BSL ISSUED IN ACCORDANCE WITH THIS CLAUSE.

CHRTS WILL KEEP OWNERS ADVISED ABOUT ACTUAL ARRIVAL OF ORIGINAL BILLS OF LADING TO DISCHARGING PORT, AND UPON ARRIVAL OF ORIGINAL BILLS OF LADING SAME DULY ENDORSED BY RECEIVERS WILL BE EXCHANGED TO THE CHRTS LOI.

11) SUBLETING CLAUSE  
THE CHARTERERS SHALL HAVE THE OPTION OF SUBLETING THE VESSEL SUBJECT TO THE OWNERS PRIOR APPROVAL WHICH SHALL NOT BE UNREASONABLY WITHHELD. UPON GIVING NOTICE IN WRITING TO THE OWNERS, BUT THE ORIGINAL CHARTERERS ALWAYS REMAIN RESPONSIBLE TO THE OWNERS FOR DUE PERFORMANCE OF THE CHARTER PARTY AND CONTRACTORS OF PERSON OF COMPANY TAKING SUCH SUBLETING SHALL BE

42

Oct 24 02 03:04p

SB

425 382 5242

P. 6

24.Oct. 2002 10:52

FESCO MANAGEMENT LTD

No. 3098 P. 6

FESCO CHARTERING DEP

ANY  
CONSEQUENCES ARISING FROM THE FACT THAT THE CREW HAS BEEN EMPLOYED IN  
CLEANING.  
OWNERS TO MAINTAIN CGO HOLD/SPACES AND INTERIOR OF HATCH  
COVERS/COAMINGS  
FREE OF  
RUST AND SCALE FOR THE DURATION OF THIS C/P. IF FAILS HOLDS INSPECTION DUE  
OWS  
NOT COMPLY WITH ABOVE THAN OWS RECTIFY SAME AT THEIR TIME/EXPENSES AND  
IF  
THERE  
IS ANY EXTRA CHARGES WHICH IS DIRECTLY RELATED FOR VSL FAILURE SUCH AS  
DOCKAGE  
/LAUNCH BOAT, REINSPECTION FEE ETC TO BE FOR OWNERS ACCOUNT AND SAME TO  
BE  
SUBSTANTIATED BY VOUCHERS "

CL.53 - AS PER MAINTERMS

CL.65 - DELETE (AS NO GRABS ON BOARD)

ADD FOLLOWING CLAUSES:

CL.73

- CABLES/VICTUALING/ENTERTAINMENT; USD 800 PER MONTH PRO RATA IN CASH TO  
MASTER  
- CASH TO MASTER FOR EVERY PORT OF CALL: USD 100 PER EVERY PORT OF CALL IN  
CASH  
TO MASTER

PROTECTION CLAUSES TO BE INCLUDED IN CHARTER PARTY:  
This Charter Party is subject to the following clauses all of which are also  
to  
be included in all bills of lading or waybills issued hereunder:

(a) **CLAUSE PARAMOUNT**

"This bill of lading shall have effect subject to the provisions of the  
carriage  
of Goods by Sea Act of the United States, the Hague Rules, or the  
Hague-Visby  
Rules, as applicable, or such other similar national legislation as may  
mandatorily apply by virtue of origin or destination of the bill of lading,  
which shall be deemed to be incorporated herein and nothing herein contained  
shall be deemed a surrender by the carrier of any of its rights or  
immunities or  
an increase of any of its responsibilities or liabilities under said  
applicable  
Act. If any term of this bill of lading be repugnant to said applicable Act  
to  
any extent, such term shall be void to that extent, but no further."

(b) **BOTH-TO-BLAME COLLISION CLAUSE**

"If the ship comes into collision with another ship as a result of the  
negligence of the other ship and any act, neglect or default of the master,  
mariner, pilot or the servants of the carrier in the navigation or in the  
management of the ship, the owners of the goods carried hereunder will  
indemnify  
the carrier against all loss or liability to the other or non-carrying ship  
or  
her owners insofar as such loss or liability represents loss of, or damage  
to,  
or any claim whatsoever of the owners of said goods, paid or payable by the  
other or non-carrying ship or her owners to the owners of said goods and set

Oct 24 02 03:04p

SH

425 382 5242

24.Oct. 2002 10:55'

FESCO MANAGEMENT LTD.  
FESCO CHARTERING DEP

No. 3098

P. 7

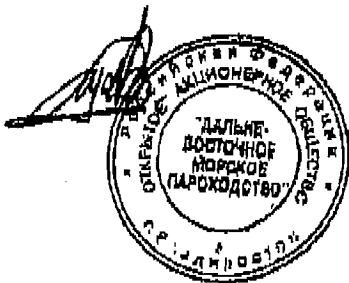
off, recouped or recovered by the other or non-carrying ship or her owners as part of their claim against the carrying ship or carrier. The foregoing provisions shall also apply where the owners, operators or those in charge of any ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect to a collision or contact."

**(c) NEW JASON CLAUSE**

"In the event of accident, danger, damage or disaster before or after the commencement of the voyage resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequences of which, the carrier is not responsible, by statute, contract, or otherwise, the goods, shippers, consignees, or owners of the goods shall contribute with the carrier in general average to the payment of any sacrifices, losses, or expenses of a general average nature that may be made or incurred, and shall pay salvage and special charges incurred in respect of the goods. If a salving ship is owned or operated by the carrier, salvage shall be paid for as fully as if salving ship or ships belonged to strangers. Such deposit as the carrier or his agents may deem sufficient to cover the estimated contribution of the goods and any salvage and special charges thereon shall, if required, be made by the goods, shippers, consignees or owners of the goods to the carrier before delivery."

END RECAP+++

TKS + B. RGDS/V. CHABROV



*[Signature]*  
Med Brokerage & Management Corp.  
For and on behalf of Progress Bulk Carriers Ltd.  
As Agents Only

**MED BROKERAGE & MANAGEMENT**  
29 CONTINENTAL PLACE  
GLEN COVE, NY 11542  
(516) 671-4454

Dat 24 02 03:04p

SD

425 392 5242

p. 8

24 Oct. 2002 10:56

FESCO MANAGEMENT LTD

No. 3098 P. 8

FESCO CHARTERING DEP



Роскоше русло электрохимии (e-mail)

Tema: MV CHEREMKHOVO ACCT PROGRESS  
RECAP OF FIXTURE

ATT: VLADISLAV

RE: MV CHEREMKHOVO ACCT PROGRESS RECAP OF FIXTURE  
HEREBELOW RECAP OF FULLY CLEAN FIXTURE DD OCTOBER 22, 2002, NEW YORK:MV CHEREMKHOVO - EX THALASSINI AXIA  
GRT/NRT/DWT 16794/8843/23181 ON 10.20 SSW  
LOA/BM 176.60/ 22.86 SUEZ/PANAMA NRT 13244/11762  
GRAIN/BALE CAPA 29727/29131; HO/HA 5/10; FLAG Rom  
BUILT 1984 YEAR  
INMARSAT MINI-M 762459716-TEL, 762459718-FAX  
INMARSAT-C 427320283 (TLX)

CALL SIGN UHWZ:TPI 87.6

## SPEED/CONS:

LAD 12.6/24.5 MT IFO 180/RME 25 + 3.1 MT MDO/DMC  
BAL 13.4 24.5 MT IFO 180/RME 25 + 3.1 MT MDO/DMC  
IN FORT WITH CGO OPS: 1.0 MT IFO 180 + 2.7 MT MDO  
W/OUT CGO OPS: 1.0 MT IFO 180 + 1.4 MT MDO

## FOR MANOUVERS:

735 KG/HR MDO + 5% GAS/DMA OF IFO CONSUMED FOR ENSURING  
OF WORKING ME WHILE STARTING/STOPPING, AND FOR EMERGENCY GEN

## MV CHEREMKHOVO/ CHELYABINSK TYPE

LLOYD'S NO: 8306541

HO L/B/H(M) G/B CAPA (CBM) HA L/B (M)

1 23.0/13.0/9.5 3891/3813 13.6/2x7.45

2 25.3/19.5/12.0 6595/6463 19.5/2x8.95

3 24.7/19.5/12.0 6403/6275 19.5/2x8.95

4 24.7/19.5/12.0 6491/6361 19.5/2x8.95

5 24.7/12.0/12.0 6347/6219 19.5/2x8.95

ALL HOLDS HV CENTRAL BULKHEAD 1.56M WIDE AND 4 M DEEP FM DECK

## TOPTANK STRENGTH- MT/M2

HOLD 1/2/4 - 12.23

3 - 13.20

5 - 15.65

DECK: - 2.7

HATCHCOVER: - 1.75

CRANE CAPA: 4x15 M' OUREACH 24 M

CLASSIFICATION SOCIETY: RUSSIAN REGISTER

CLASS: RS KM L3

- vsl is fully ITF N AUSTR. HOLD LADDER fitted
- vsl is CO2 fitted in holds

## FIXED TO

1) MESSRS PROGRESS BULK CARRIERS LTD BAHAMAS  
PARK LANE PO BOX 4-7768 NASSAU/BAHAMAS



24 Oct. 2002 10:58

FESCO MANAGEMENT LTD

No. 3098 P. 9

FESCO CHARTERING DEP

FOR

2) TC PERIOD FOR 8/12 MOS +/- 15 DAYS IN CHOFT

3) DELIVERY 72 HRS AFTER HER SAILING FROM TIANJIN AS PER CHTRS ORDER

4) LAY/CAN NOVEMBER 15-25, 2002

5) HIRE:

USD 4,550 PDPR IOT FOR THE FIRST 50 DAYS IN HIRE

USD 5,050 PDPR IOT FOR THE BALANCE UPTO 6 (SIX) MONTHS ON HIRE

USD 5,150 PDPR IOT FOR THE NEXT 2 (TWO) MONTHS ON HIRE IN EXCESS OF 6 MONTHS

USD 5,250 PDPR IOT FOR THE NEXT 2 (TWO) MONTHS ON HIRE IN EXCESS OF 8 MONTHS

USD 5,350 PDPR FOR THE BALANCE ON HIRE UPTO 12 MONTHS

6) REDELY TO BE ON DLOSP/PASSING 1 SP ANYTIME DAY/NIGHT SHINC PICO:

BOSTON/PARAMARIBO RANGE INCLUDING NCSA, CARIBS, USGULF OR VANCOUVER BC/BALBOA

RANGE OR BALTIC/ALEXANDRIA RANGE INCLUDING BLACK SEA/ADRIATIC OR SINGAPORE/JAPAN

RANGE INCLUDING SOUTH KOREA, PHILIPPINES

7) BUNKER CLAUSE:

CHARTERERS TO REDELIVER WITH ABOUT THE SAME QUANTITIES AS ACTUALLY ON BOARD

ON

DELIVERY. CHRS TO TAKE OVER AND PAY WITH FIRST HIRE VALUE OF BUNKERS AND CHRS TO

HAVE THE RIGHT TO DEDUCT ESTIMATED BUNKER VALUE ON REDELY FROM LAST SUFFICIENT

HIRE PAYMENTS. BUNKER PRICES FOR DELIVERY AND REDELIVERY TO BE THE SAME BOTH

ENDS AND BASED ON SINGAPORE PRICES OF PLATTS OLIGRAM ON DAY OF DELIVERY OR

CLOSEST REPORTING DAY. CHARTS OPTION TO BUNKER PRIOR TO DELIVERY PROVIDED

SAME

NOT INTERFERING WITH CHARTS CARGO OPERATIONS. FOR THE PRUPOSE OF INTERNAL

FESCO'S

ISM CODE PRODECURE, CHARTERERS HAVE TO ADVISE TO THE OWNERS THE AGENTS AND

SUPPLIERS FULL STYLE 3 (THREE) DAYS BEFORE BUNKERING/SUPPLY OF THE VESSEL FOR

CHARTERERS ACCOUNT.

8) TRADING EXCLUSION

WORLDWIDE TRADING WITHIN INSTITUTE WARRANTY LIMITS EXCLUDING CIS PACIFIC

PORTS,

CUBA, N. KOREA, ISRAEL, SYRIA, ALBANIA, LEBANON, LIBYIA, CAMBODIA, ANGOLA, TURKISH OCCUPIED CYPRUS, IRAQ, FORMER YUGOSLAVIA/ BUT VESSEL MAY TRADE

THROUGH

CROATIA AND SLOVENIA/ SOMALIA, BANGLADESH, NIGERIA, LIBERIA, ZAIRE WAR OR WAR

LIKE ZONES AS DECLARED BY LONDON UNDERWRITERS.

ADDITIONAL WAR RISK INSURANCE PREMIUM, CREW BONUS TO BE APPLICABLE ONLY FOR

TRADING INTO PERSIAN GULF OR WAR ZONES, IF ANY, IF SO DECLARED BY LLOYD UNDERWRITERS IN LONDON, TO BE FOR CHARTERERS' ACCOUNT. THE RATE OF

PREMIUM

NOT

Oct 24 02 03:05p  
24 Oct. 2002 11:01

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FESCO CHARTERING DEP

425 392 5242  
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TO EXCEED THOSE QUOTED BY LLOYD OF LONDON OR UNDERWRITERS.

9) CARGO EXCLUSIONS  
LIVESTOCK, PITCH IN BULK, SULPHUR, SODDASH, FERO SILICON, NUCLEAR ISOTOPES,  
H.B.I. CEMENT IN BULK, ALL KIND OF ACID ANY PRODUCTS ASSOCIATED WITH  
DIRECT  
REDUCED IRON, ASPHALT, ARMS AND AMMONTIONS, SCRAP, MOTOR BLOCKS AND  
TURNINGS,  
CREOSOTED GOODS, PETROLEUM OR ITS PRODUCTS, PETCOKE, CAKES, PYRITES,  
CALCIUM  
HYDROZIDE, NUCLEAR MATERIALS, EXPELLERS, INFLAMMABLE AND DANGEROUS  
GOODS,  
SALT  
AND MAHOGANY LOGS STONE BLOCKS, BAGGED RICE, AND ANY OTHER HARMFUL,  
DANGEROUS  
INJURIOUS, CONTRABAND OR UNLAWFUL CARGOES.  
ALL CARGOERS TO AND LOADED/CARRIED AND DISCHARGING ALWAYS IN  
ACCORDANCE  
WITH  
IMO REGULATION AND UP TO MASTER'S SATISFACTION.  
CHRTS CAN CARRY AMMONIUM NITRATE OF FERTILISER GRADE ONLY PROVIDED  
ALWAYS  
EXCLUDING HOLD NR. 5 AND NOT FROM/TO RUSSIAN PORTS.

HOWEVER CHRTS CAN CARRY MAXIMUM 4 CAGROES DURING DURATION OF C/P:  
CLINKER, SCRAP EX MB&T, SULPHUR, PETCOKE (GREEN PETCOKE EXCLUDED) WITH  
TEMP  
LESS  
55 DEG CELSIUS PRIOR LOADING, SALT.  
FOR SALT/SULPHUR - LIMEWASHING TO BE FOR CHARTERERS' TIME AND EXPENSES.  
FOR SCRAP SOFT LOADING CL TO BE APPLIED.

10) BSL CLAUSE:

CONGENBILL(S) OR OTHER BIMCO RECOGNIZED/APPROVED BILL(S) OF LADING FORM  
TO  
BE USED. BSL TO BE SIGNED BY MASTER OR AGENTS IN ACCORDANCE WITH THE  
CHARTERERS  
WRITING INSTRUCTIONS, BUT ALWAYS IN ACCORDANCE WITH MATE'S RECEIPTS.  
WHERE IT  
IS  
CUSTOMARY IN GRAIN/AGRIPRODUCT TRADING MATE'S RECEIPT TO BE ISSUED IN  
ACCORDANCE  
WITH ELEVATORS FIGURE.

FESCO IS NOT TO BE SHOWN AS A CARRIER IN THE BSL. NO LINER/THROUGH BSL  
WILL BE  
ISSUED DURING THE CURRENCY OF THIS CHARTER PARTY.

CHARTERERS TO INDEMNIFY OWNERS AGAINST ANY CLAIMS, OR DAMAGES ARISING  
FROM  
BS/L  
BEING NOT IN CONFORMITY WITH MATE'S RECEIPT.

AT DISCHARGING PORT, CARGO TO BE RELEASED AGAINST ORIGINAL OF RESPECTIVE  
BILLS  
OF LADING. IN CASE ORIGINAL BILLS OF LADING ARE NOT ARRIVED IN TIME TO  
DISCHARGING PORT, OWNERS AGREE TO DISCHARGE CARGO AS PER CHARTERERS'  
WRITTEN  
INSTRUCTION AND AGAINST LETTER OF INDEMNITY AS PER OWNERS' P AND I CLUB  
WORDING  
ISSUED/SIGNED BY CHARTERERS ON THEIR LETTERHEAD. BEFORE ACCEPTANCE OF  
SUCH

Oct 24 02 03:05p  
24.Oct. 2002 11:04'

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LOI  
OWNERS SHOULD HAVE EVIDENCE THAT B/L ISSUED IN ACCORDANCE WITH THIS  
CLUSE.

CHRTRS WILL KEEP OWNERS ADVISED ABOUT ACTUAL ARRIVAL OF ORIGINAL BILLS  
OF  
LADING  
TO DISCHARGING PORT, AND UPON ARRIVAL OF ORIGINAL BILLS OF LADING SAME  
DULY  
ENDORSED BY RECEIVERS WILL BE EXCHANGED TO THE CHRTRS LOI.

11) SUBLETING CLAUSE  
THE CHARTERERS SHALL HAVE THE OPTION OF SUBLETING THE VESSEL SUBJECT TO  
THE  
OWNERS PRIOR APPROVAL WHICH SHALL NOT BE UNREASONABLY WITHHELD, UPON  
GIVING  
NOTICE IN WRITTING TO THE OWNERS, BUT THE ORIGINAL CHARTERERS ALWAYS  
REMAIN  
RESPONSIBLE TO THE OWNERS FOR DUE PERFORMANCE OF THE CHARTER PARTY  
AND  
CONTRACTORS OF PERSON OF COMPANY TAKING SUCH SUBLETING SHALL BE  
DEEMED  
CONTRACTORS OF THE CHARTERERS FOR ALL THE PURPOSES OF THIS CHARTER  
PARTY.  
ACCEPTANCE OF DELIVERY BY CHARTERERS SHALL NOT CONSTITUTE ANY WAIVER  
OF  
CHARTERERS' RIGHTS HEREUNDER.

12) FUMIGATION CLAUSE  
CHOFT FUMIGATE CGO IN PORT WITH ALL COSTS OF SAME TO BE FOR CHRTRS  
ACCOUNT  
AND  
FUMI TO BE PERFORMED IN CHRTRS TIME AND AT THEIR RISK. FUMIGATION IS NOT  
TO  
TAKE  
PLACE WHILST CREW ARE ABOARD VSL, AND ALL COSTS ASHORE INCL ACCOMM,  
MEALS,  
TRANSPORT FOR CREW TO BE FOR CHRTRS ACCOUNT.

13) TTL COM 5 PCT INCL 1,25 PCT TO FESCO MANAGEMENT

14) OWISE AS PER NYPE 46 C/P FOR MV SETIF II DD AUGUST 01, 2001 NEW YORK  
WITH  
LOGICAL ALTERATIONS AS PER RECAP OF MAIN TERMS AND WITH FOLLOWING  
AMENDMENTS

ALTERATIONS:

MAIN BODY:  
\*\*\*\*\*

LN.56 -  
INSERT "20 DAYS" INSTEAD OF "15 DAYS"

LN.57 -  
INSERT "EVERY 15 DAYS" INSTEAD "EVERY 30 DAY"

LN.84 -  
INSERT "USD 10 PER DAY" INSTEAD "USD 7"

LN.89 -  
DELETE "ENGLISH" REPLACE FOR "RUSSIAN"  
ADD AT THE END "AND EXTRACTS FROM LOGS, TRANSLATED IN ENGLISH"

Oct 24 02 03:08p  
24.Oct. 2002 11:06

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**RIDER CLAUSES:**

=====

CL.31 -  
AS PER C/P, ADD AT THE END OF CLAUSE: " UPON PROVIDING SUPPORTING  
DOCUMENTS  
OR  
OWRS WILL ARRANGE REIMBURSEMENT TO CHRTRS ACCOUNT AGAINST CHRTRS  
CLAIM "

CL.35 -  
AFTER 1984 ADD "AND 1996 AND ANY AMENDMENTS HERETO"

CL. 37 AS PER MAIN TERMS  
AND ADD AFTER LINE 32 (SEE CLS 37): " CHRTRS HAVE THE OPTION TO BRAKE IWL  
AGAINST PAYING THE NET EXTRA INSURANCE PREMIUM ON HULL AND MACHINERY  
AS PER  
RECEIPTED INVOICE FROM OWNERS UNDERWRITERS SUBJECT TO OWNERS APPROVAL  
BUT  
OWNERS  
APPROVAL NOT TO BE UNREASONABLY WITHHELD "

CL. 38 -  
TO AD AFTER "CEMENT": "(HOWEVER CEMENT IN BAGS IS ALLOWED)"

"OWNERS TO DO THEIR UTMOST TO ARRANGE "SUPPLEMENT TO THE CERTIFICATE OF  
FITNESS OF THE SHIP FOR CARRIAGE OF BULK CARGO" WITHIN FOUR MONTHS AFTER  
THE  
VESSELS HAS BEEN DELIVERED, OR IF THIS PERIOD IS EXPIRED, THAN LATEST ON  
ARRIVAL  
TO RUSSIAN PORT FOR LOADING AM NITRATE. CHRTRS AGREE TO CONTRIBUTE USD  
2000  
PAYABLE AS PER OWNERS' INSTRUCTIONS TO COVER THE EXPENSES FOR OBTAINING  
"SUPPLEMENT TO THE CERTIFICATE OF FITNESS OF THE SHIP FOR CARRAGE OF BULK  
CARGO"  
FROM VSL'S CLASS".

CL.41 -  
DELETE ITEM B)  
ITEM C) DELET LAST SENTANCE INSTEAD INSERT: " SUBJECT MUTUALLY ACCEPTABLE  
RATE  
TO BE AGREED BETWEEN CHRTRS AND MASTER AND PROVIDED SUCH CREW  
MEMBERS ARE ON  
BOARD WITH THE NECESSARY CERTIFICATION AND QUALIFICATION TO UNDERTAKE  
SUCH  
WORK "

CL. 42 -  
AS PER MAIN TERMS

CL. 45 -  
AT THE END OF PARA 2) INSERT " MASTER ARRANGE THE SURVEY ON BEHALF AND  
FOR  
ACCOUNT OF CHRTRS ".  
ADD AT THE END:

"In case of any and all damage(s) affecting the Vessel's seaworthiness  
and/or  
the safety of the crew and/or affecting the trading capabilities of the  
Vessel,  
the Charterers shall immediately arrange for repairs of such damage(s) at  
their  
expense and the Vessel is to remain on hire until such repairs are completed  
and  
if required passed by the Vessel's classification society."

Oct 24 02 03:06p  
24.Oct. 2002 11:07

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FESCO CHARTERING DEP

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CL.50 -  
\* CHRTRS HAVE AN OPTION TO REDELIVER THE VESSEL WITH UNCLEAN HOLDS AND  
PAYING  
LUMP SUM AMOUNT OF \$3,000.00 IN LIEU OF HOLDS CLEANING. UPON COMPLETION OF  
EACH  
CARGO, IF REQUESTED BY CHARTERERS, VESSEL'S CREW TO CLEAN / PREPARE THE  
HOLDS IN  
CHRTRS' TIME AND CHRTRS PAYING LUMP SUM AMOUNT OF USD 500.00 PER HOLD  
ACTUALLY  
CLEANED. IF VSL FAILS HOLDS INSPECTION DUE TO RUST AND/OR RUST SCALES  
AND/OR  
LOOSE OR PEELING PAINT SAME SHALL BE FOR OWNERS' ACCOUNT.  
OWNERS/MASTER WILL ENDEAVOUR TO EFFECT SUCH CLEANING AS BEST AS  
POSSIBLE,  
BUT  
WITHOUT GARANTEE THAT THE CARGO HOLDS WILL BE SUFFICIENTLY CLEANED  
AND  
ACCEPTED  
ON ARRIVAL AT THE LOADING PORT AND THE OWNERS SHALL NOT BE RESPONSIBLE  
FOR  
ANY  
CONSEQUENCES ARISING FROM THE FACT THAT THE CREW HAS BEEN EMPLOYED IN  
CLEANING.  
OWNERS TO MAINTAIN CGO HOLD/SPACES AND INTERIOR OF HATCH  
COVERS/COAMINGS  
FREE OF  
RUST AND SCALE FOR THE DURATION OF THIS C/P. IF FAILS HOLDS INSPECTION DUE  
OWS  
NOT COMPLY WITH ABOVE THAN OWS RECTIFY SAME AT THEIR TIME/EXPENSES AND  
IF  
THERE  
IS ANY EXTRA CHARGES WHICH IS DIRECTLY RELATED FOR VSL FAILURE SUCH AS  
DOCKAGE  
/LAUNCH BOAT, REINSPECTION FEE ETC TO BE FOR OWNERS' ACCOUNT AND SAME TO  
BE  
SUBSTANTIATED BY VOUCHERS "

CL.53 - AS PER MAINTERMS

CL.65 - DELETE (AS NO GRABS ON BOARD)

ADD FOLLOWING CLAUSES:

CL.73

- CABLES/VICTUALING/ENTERTAINMENT: USD 800 PER MONTH PRO RATA IN CASH TO  
MASTER

- CASH TO MASTER FOR EVERY PORT OF CALL: USD 100 PER EVERY PORT OF CALL IN  
CASH  
TO MASTER

PROTECTION CLAUSES TO BE INCLUDED IN CHARTER PARTY:

This Charter Party is subject to the following clauses all of which are also  
to  
be included in all bills of lading or waybills issued hereunder:

(a) CLAUSE PARAMOUNT

"This bill of lading shall have effect subject to the provisions of the  
carriage  
of Goods by Sea Act of the United States, the Hague Rules, or the  
Hague-Visby  
Rules, as applicable, or such other similar national legislation as may  
mandatorily apply by virtue of origin or destination of the bills of lading,

24.Oct. 2002 11:09

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FESCO CHARTERING DEP

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which shall be deemed to be incorporated herein and nothing herein contained shall be deemed a surrender by the carrier of any of its rights or immunities or an increase of any of its responsibilities or liabilities under said applicable Act. If any term of this bill of lading be repugnant to said applicable Act to any extent, such term shall be void to that extent, but no further."

**(b) BOTH-TO-BLAME COLLISION CLAUSE**

"If the ship comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the master, mariner, pilot or the servants of the carrier in the navigation or in the management of the ship, the owners of the goods carried hereunder will indemnify the carrier against all loss or liability to the other or non-carrying ship or her owners insofar as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of said goods, paid or payable by the other or non-carrying ship or her owners to the owners of said goods and set off, recouped or recovered by the other or non-carrying ship or her owners as part of their claim against the carrying ship or carrier. The foregoing provisions shall also apply where the owners, operators or those in charge of any ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect to a collision or contact."

**(c) NEW JASON CLAUSE**

"In the event of accident, danger, damage or disaster before or after the commencement of the voyage resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequences of which, the carrier is not responsible, by statute, contract, or otherwise, the goods, shippers, consignees, or owners of the goods shall contribute with the carrier in general average to the payment of any sacrifices, losses, or expenses of a general average nature that may be made or incurred, and shall pay salvage and special charges incurred in respect of the goods. If a salving ship is owned or operated by the carrier, salvage shall be paid for as fully as if salving ship or ships belonged to strangers. Such deposit as the carrier or his agents may deem sufficient to cover the estimated contribution of the goods and any salvage and special charges thereon shall, if required, be made by the goods, shippers, consignees or owners of the goods to the carrier before delivery."

END RECAP+++

TKS + B. RODS/V. CHABROV



*[Signature]*  
Med Brokerage & Management  
For and on behalf of Progress Carriers Ltd  
As Agents Only  
CONTINENTAL PLACE  
NEW CANOVES, NY 11542  
(516) 671-4454



## ESCROW AGREEMENT

11th

THIS ESCROW AGREEMENT ("Agreement") made and entered into as of the \_\_\_ day of March 2003, by and between FAR EASTERN SHIPPING CO., Vladivostok, ("Owner") and PROGRESS BULK CARRIERS, LTD. Bahamas ("Charterer").

## BASIS OF AGREEMENT

A. Owner and Charterer are parties to a time charter party dated October 22, 2002 with respect to the vessel M/V Cheremkovo (the "Charter Party").

B. Charterer wishes to order the MV Cheremkovo under the charter party to the port of Uusikaupunki to load a cargo (hereinafter "the port call").

C. Pursuant to the Parties' agreement to allow the port call, the Parties have agreed to escrow funds to provide for payment by Charterer to Owner for any damage to the vessel's hull and machinery directly arising out of ice conditions in the port during the port call, i.e. during that time when the ship is on the way to the port, she is directly in the port and she departs the port, reasonable wear and tear to the vessel excepted.

D. As part of the escrow arrangement, Charterer has agreed to deliver said escrow funds to Escrow Agent, who has agreed to hold the same in accordance with the terms of this Agreement.

NOW, THEREFORE, intending to be legally bound hereby and intending to incorporate the above recitals herein, the parties agree as follows:

1. DETERMINATION OF DAMAGE : JOINT INSTRUCTIONS TO ESCROW AGENT. Upon completion of the said port call, owners, at their option, may undertake investigations to determine if damage was incurred during the port call. If damage of the nature described in paragraph C above has been incurred, Owners shall instruct a surveyor, acceptable to Charterers, to assess and quantify the damage. Charterers shall not unreasonably withhold approval with respect to the surveyor appointed by Owners. However, if the parties cannot agree to instruction of a single surveyor, Owners and Charterers each shall instruct their own surveyor to participate in a joint survey. The parties agree to be bound by the determination of the surveyor(s) with respect to existence and quantum of damage. The parties further agree to apply the funds held in escrow toward satisfaction of damage incurred due to the port call. However, it is agreed that the escrow amount provides no limitation on damage that in fact was incurred. If charterer's liability insurers/ P and I Club make payment on behalf of charterers, then the funds held in escrow shall be released to charterers accordingly.

2. ESCROW FUND. Upon signing of this Agreement, an amount of One Hundred Seventy Five Thousand Dollars (\$175,000.00) of Charterer's funds (the "Escrow Amount") shall be delivered to the Escrow Agent, who shall hold the Escrow Amount in escrow in accordance with the terms and conditions of this Agreement. Escrow Agent shall release the Escrow

Charterers' liability is to commence from the moment of pilotage commencement to the loading port/quay.

Amount as directed pursuant to a written authorization executed by both Charterer and Owner, and / or in accordance with this Agreement.

3. CAPACITY OF ESCROW AGENT. Escrow Agent, upon receipt of the Escrow Amount, shall deposit the same into a federally insured institution. The account shall be non-interest-bearing and Charterer shall provide Escrow Agent with its taxpayer identification number.

4. DUTIES. The duties of the Escrow Agent are only such as are herein specifically provided, being purely ministerial in nature, and Escrow Agent shall incur no liability whatsoever except for willful misconduct or gross negligence, so long as Escrow Agent has acted in good faith. Owner and Charterer hereby release Escrow Agent from any acts done or omitted to be done by Escrow Agent in good faith in the performance of Escrow Agent's duties hereunder. Escrow Agent shall be under no duty with respect to the Escrow Amount other than to follow faithfully the provisions of this Agreement. Escrow Agent shall not be required to defend any legal proceeding which may be instituted against Escrow Agent with respect to the subject matter of this Agreement unless requested to do so by Owner or Charterer and, further, unless indemnified to the satisfaction of Escrow Agent against the cost and expense of such defense. Escrow Agent shall not be required to institute legal proceedings of any kind.

5. LIMITATION OF LIABILITY. Escrow agent assumes no liability under this Agreement, except that of stakeholder. If there is any dispute as to whether Escrow Agent is obligated to deliver the Escrow Amount, or as to whom any sum is to be delivered, Escrow Agent will not be obligated to make any delivery of the Escrow Amount, but in such event shall hold the Escrow Amount until receipt by Escrow Agent of an authorization in writing signed by all the persons having an interest in such dispute directing the disposition of the Escrow Amount, or in the absence of such authorization, Escrow Agent shall hold the Escrow Amount until the final determination of the rights of the parties in an appropriate proceeding. If such written authorization is not given, or proceedings for such determination are not commenced and diligently continued, Escrow Agent may, and shall upon the written demand of either Owner or Charterer, bring an appropriate action or proceeding for leave to pay the Escrow Amount to an appropriate court pending such determination. If such action becomes necessary or is demanded, the legal fees and costs incurred by Escrow Agent shall be shared jointly by Owner and Charterer. In making delivery of the Escrow Amount in the manner provided for in this Agreement, Escrow Agent shall have no further liability in the matter.

6. OTHER IMPORTANT PROVISIONS.

a. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, administrators, successors and assigns.

b. Governing Law. Any dispute arising out of this escrow agreement shall be arbitrated in, and governed by the laws of, the English Law, in accordance with the arbitration clause agreed to by the parties in the charter party for the MV Cheremkovo dated Oct. 22, 2002.



IN WITNESS WHEREOF, intending to be legally bound hereby, the parties have executed this Escrow Agreement as of the day and year first above written.

**CHARTERER:**

PROGRESS BULK CARRIERS LTD.  
BAHAMAS

By: \_\_\_\_\_

MED BROKERAGE & MANAGEMENT  
29 CONTINENTAL PLACE  
GLEN COVE, NY 11542  
(516) 671-4454

*[Handwritten signature]*  
As agents for PKC

**OWNER:**

FAR EASTERN SHIPPING CO., Vladivostok

By: \_\_\_\_\_

*[Handwritten signature]*



# EXHIBIT H

Message Printed on 1/29/2008 10:52:57 by KO RefNum: KO1055073  
From/To: ("Alen A. Gukasyan" <90112@90.fesco.ru>)

From: "Alen A. Gukasyan" <90112@90.fesco.ru>  
To: Konstantin Osypenko <medbrokerage@earthlink.net>  
Subject: HA: MV Igarka / Progress  
Date: Thu, 24 Nov 2005 10:25:17 +1000

Dear Mr. Osypenko,

Please be advised that I have received a confirmation from our Financial Dept. that we have received USD 77 791,06.

Thank you for cooperation.

Best regards,

Alen Gukasyan  
Lawyer  
Legal Department  
Far Eastern Shipping Company (FESCO)  
Tel.: +7 (4232) 52-14-49, fax: +7 (4232) 52-14-50  
www.fesco.ru

Konstantin Osypenko <medbrokerage@earthlink.net>

<medbrokerage@earthlink.net>  
: Konstantin Osypenko <medbrokerage@earthlink.net>  
23.11.2005 23:41

(e-mail)

:  
Konstantin Osypenko <medbrokerage@earthlink.net>

Message Continues...

MV Igarka / Progress

MED BROKERAGE & MANAGEMENT CORP.

29 CONTINENTAL PLACE

GLEN COVE, NY 11542

TEL: 516-671-4454 FAX: 516-671-4452 TLX: 49644700

EMAIL: MEDBROKERAGE@EARTHLINK.NET COMTEXT: A26UT475

REF : K01054617

DATE: 11/23/2005

To: FESCO

Attn: Mr Gukasyan

Ref: MV Igarka / Progress

11/23/2005

Dear Mr Gukasyan,

Pleased to confirm that amount of USD 77,491.06 was remitted to Owners' account today with value date Nov 23, 2005. Please forward confirmation upon receipt of funds.

Brgds/K. Osypenko  
Med Brokerage  
(as agents)

----- End of Message -----

Message Printed on 1/29/2008 10:46:48 by KO RefNum: KO1131031  
From/To: ("Viktor V. Pomelov" <90001@90.fesco.ru>)

From: "Viktor V. Pomelov" <90001@90.fesco.ru>  
To: medbrokerage@earthlink.net  
cc: "Tatyana Y. Fedotova" <TFedotova@internal.ru>  
Subject: m/v "Cherkassy" - C/P dd 22.10.2002/ outstanding balance  
Date: Mon, 6 Mar 2006 16:20:18 +1000

To: Progress Bulk Carriers Ltd.  
c/o Med Brokerage and Management Corp.

WITHOUT PREJUDICE

Dear Sirs,

Re: m/v "Cherkassy" / C/P dd 22 October 2002 - outstanding balance due to Fesco.

Please be advised that we would like to revert to our negotiations on the aforesaid matter and refer to our fax messages of 09 February 2005; 04 July 2005 on which our correspondence was stopped. Having duly thought over the Charterer's provisional final hire statement we re-considered all the facts and materials and, unfortunately, we can not agree with the Charterer's amount of USD 15,666.35 proposed as final balance due to Fesco.

We amended our final hire statement, which you will find attached below, according to which outstanding amount due to Fesco is total USD 47,521.55. Our position is based on the following:

1. We accept off-hire periods on which the vessel was put by the Charterer's, total to 4,345,659 days.
2. We can not accept off-hire for 2.8361111 days on which the vessel was put for the alleged delay at Dardanelles on 08-10.12.2002. We ask Charterer's to pay their attention to the facts, on which they were duly and fully informed during the voyage. According to the logbook the delay was induced since the vessel was forced to ride out a storm and then to wait for permission to enter Dardanelles. The entrance was closed for all vessels by the Mehmetcik Traffic Control's prohibition because of the bad weather conditions at that area. The entry permit was received by the vessel only at 21.17 on 10.12.2002. Hence, there was no ground to put the vessel off-hire.
3. We also included outstanding amounts for reimbursement of war risk insurance call at Indonesia, Alexandria and Iran, which was amended.

Considering the above-said we would ask the Charterers to check their position, taking into account Fesco's final hire statement and revert promptly in order to settle the matter amicably without further delay.

Looking forward to hearing from you asap.

Best regards,

Victor Pomelov  
Director,  
FESCO Legal department  
Tel.: +7(4232)52-10-56  
Fax: +7(4232)52-14-50  
e. mail: 90001@90.fesco.ru  
www.fesco.ru

[A Mime Part ( - attachment; filename="Cherkassy 22.10.02 (final).pdf") was detected here]

----- End of Message -----

Message Printed on 1/29/2008 10:52:03 by KO RefNum: KO1139232  
From/To: ("Lyudmila A. Voropaeva" <90111@90.fesco.ru>)

From: "Lyudmila A. Voropaeva" <90111@90.fesco.ru>  
To: Konstantin Osypenko <medbrokerage@earthlink.net>  
cc: "Viktor V. Pomelov" <90001@90.fesco.ru>  
Subject: HA: m/v 'Igarka'- at Abijan on 16 June, 2004. Your ref: K0107184  
Date: Wed, 15 Mar 2006 14:52:51 +1000

To: Med Brokerage & Management Corp.  
Attn: Mr. Konstantin Osypenko  
Your ref: K01131944

Konstantin/ Lyudmila

Subject: m/v " Igarka" - at Abijan on 16 June, 2004.  
Shortage of Cargo. Claim settled at US\$ 22,961.65 plus  
EUR 1,942.20.

Thank you for your message of 7 March, 2006.  
Please be advised that we have checked again the documents and accounts  
related with this matter.

1. We confirm that the cargo receivers have erroneously indicated amount  
of US\$ 22,000 in the Act of Receipt & Release though bank slip of  
01.06.2005 shows remittance of US\$ 22,961.65 made by the owner. Therefore  
we are compelled to agree that the charterer admits of US\$ 11,000.

2. As to the Customs Fine settled at the amount of EUR 1,942.20 we can  
advise the following:  
In the London Arbitration Decision (14/89) enclosed by you it is mentioned  
of careless attitude to the cargo on the part of the vessel's crew meaning  
the case of theft of microscope which was then found in the ship's  
forecastle store. The court's decision was just in that case. But in our  
case, on the contrary, we have irrefutable evidence that the fine imposed  
for shortage of cargo occurred due to careless actions and omissions on  
the part of the charterer's servants. Particularly stevedoring company  
employed by the charterer for loading/ discharging at Saigon and Abijan.  
In support of the aforesaid we enclose protest-letters of the Master of  
the m/v "Igarka". As you can see, both the Master and the crew, fulfilled  
their duties carefully observing tally of the cargo and the quality of  
loading/discharging.  
Considering the above, we cannot admit your deny of liability for the  
Customs Fine for the shortage of cargo.  
Therefore we would ask you to confirm remittance of US\$ 11,000 and EUR  
971.00 to Fesco's bank account.

We look forward to hearing from you soon.

Kind regards

Lyudmila Voropaeva  
Claims Section  
Legal Department  
Fesco

[A Mime Part ( - attachment; filename="Protest letter.pdf") was detected here]

----- End of Message -----